

Congress of the United States

Washington, DC 20515

June 2, 2005

The Honorable Alphonso Jackson
Secretary
U.S. Department of Housing & Urban Development
451 Seventh Street, SW
Washington, DC 20410

Dear Secretary Jackson:

We are writing to express our strong opposition to the proposed public housing operating fund rule recently published by the Department of Housing & Urban Development (HUD). The rule, as proposed, makes significant, arbitrary and unilateral changes to an agreement that housing authorities nationwide painstakingly negotiated with HUD officials under a 1998 and 2004 Congressionally mandated process called negotiated rulemaking.

It was the understanding of all involved, and is confirmed by the National Association of Housing and Redevelopment Officials (NAHRO), the Council of Large Public Housing Authorities (CLPHA), and the Public Housing Authorities Directors Association (PHADA), that the negotiated agreement was to be published as the proposed rule. HUD has taken that negotiated agreement and unilaterally changed many critical provisions, to the detriment of communities, families, elderly and disabled citizens across New York.

The rule as proposed by HUD will make sweeping changes in how public housing authorities operate nationwide and result in a drastic reduction in federal housing funds that flow to the State of New York on an annual basis. Under the HUD version of the proposed rule, New York is estimated to lose over \$185 million annually in Federal operating funds. While the state takes a very hard hit overall, there are also some local communities that will be devastated by funding cuts including: Niagara Falls which stands to lose close to 50% of their funding, Albany 40%, Syracuse over 30% and Rochester 40%. This is a large and an unjustified hit to both our housing needs and our economy.

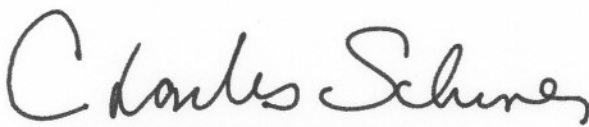
From the onset of these negotiations New York faced a loss of housing funds close to \$100 million based on the results of the Harvard Study. New York housing authorities worked with HUD and housing authorities across this nation in "good-faith" to rewrite the formula and minimize the losses to New York. The final negotiated agreement, which took a great deal of time and money, resulted in the New York housing funds being cut by \$35 million annually.

We, therefore, strongly urge you to withdraw the proposed rule and issue the rule that was negotiated in "good-faith" by all parties nationwide with HUD officials. Specifically, the rule proposed by HUD eliminates the following key provisions that were critical components of the negotiated agreement.

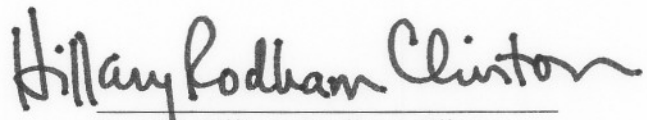
- Removes the stop-loss provision for housing authorities slated for funding decreases that will allow them to transition to the new system.
- Cuts the 10% non-profit adjustment to 4%.
- Eliminates the 3% vacancy allowance.
- Eliminates a \$2 per-unit-month public entity add-on intended to address the specific responsibilities that PHAs have as public entities.
- Arbitrarily gives all the above mentioned negotiated provisions to only some PHAs and not others. Only those that would have gained subsidy under the negotiated rule but lost subsidy under the published rule are eligible for the negotiated provisions.
- Makes even deeper funding cuts to those housing authorities who were scheduled for funding decreases.
- Reduces gains in subsidy by phasing-in gains over four years instead of the negotiated two year phase-in .

We ask for your cooperation in withdrawing the proposed rule which will be devastating to New York's economy and, instead, issuing the agreement that was negotiated between HUD and housing authorities nationwide.

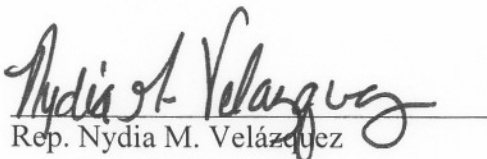
Sincerely,



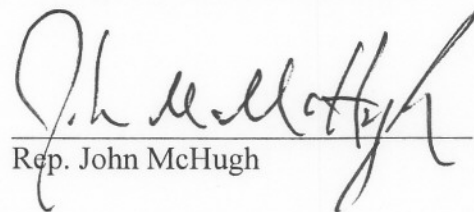
Senator Charles E. Schumer



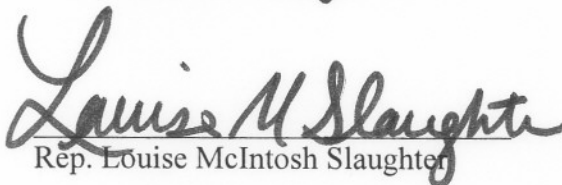
Senator Hillary Rodham Clinton



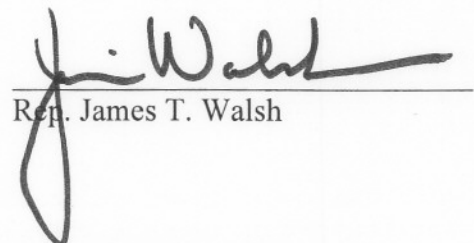
Rep. Nydia M. Velázquez



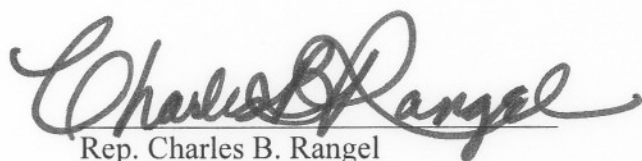
Rep. John McHugh



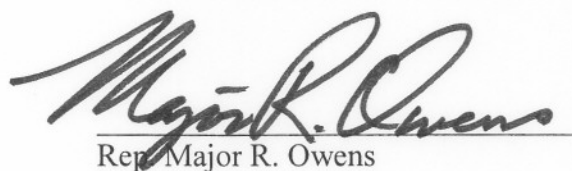
Rep. Louise McIntosh Slaughter

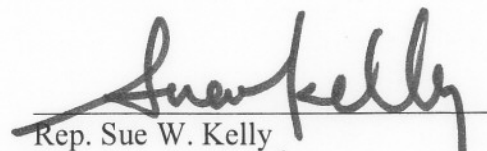


Rep. James T. Walsh

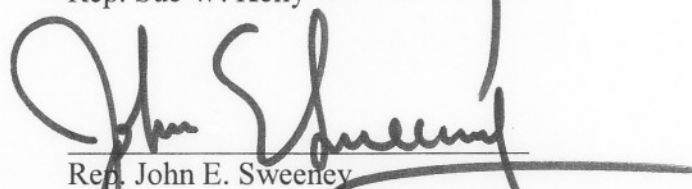

Rep. Charles B. Rangel

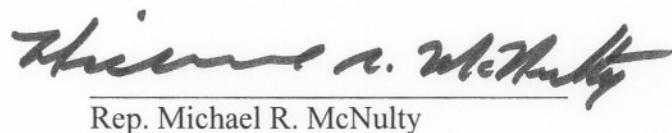

Rep. Sherwood Boehlert

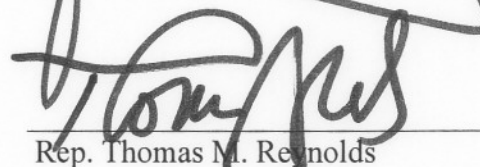

Rep. Major R. Owens


Rep. Sue W. Kelly

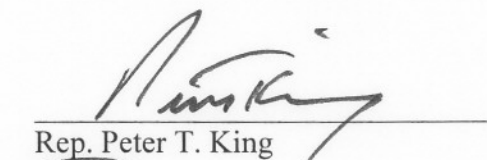

Rep. Carolyn B. Maloney

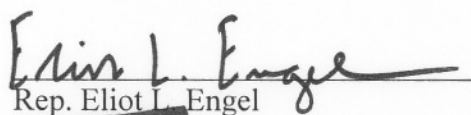

Rep. John E. Sweeney

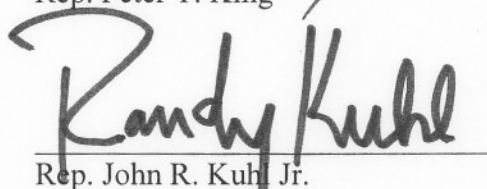

Rep. Michael R. McNulty

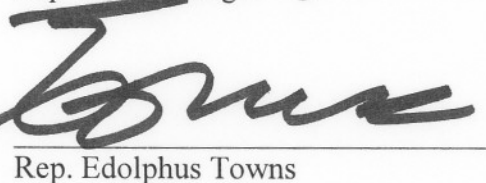

Rep. Thomas M. Reynolds

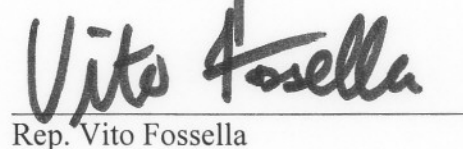

Rep. Gary L. Ackerman

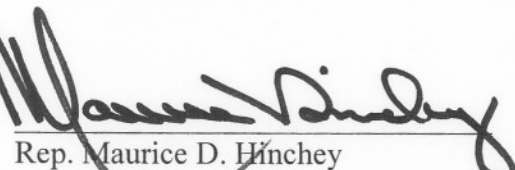

Rep. Peter T. King

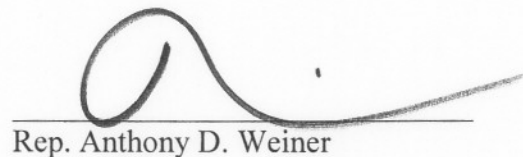

Rep. Eliot L. Engel

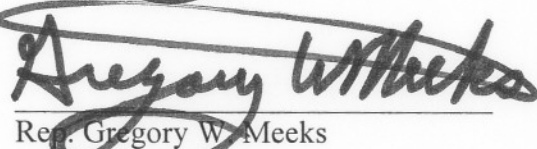

Rep. John R. Kuhl, Jr.

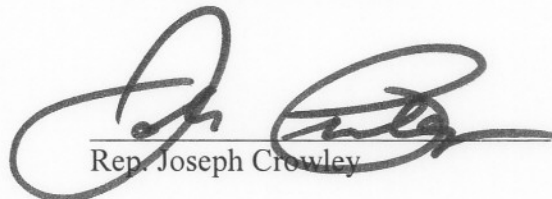

Rep. Edolphus Towns

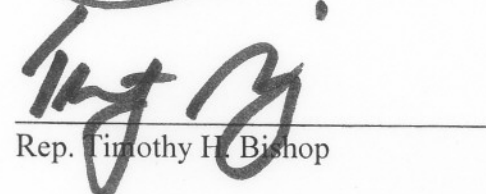

Rep. Vito Fossella

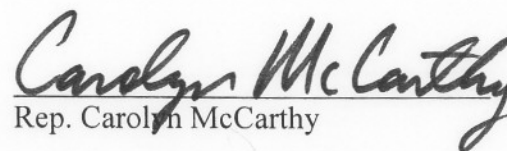

Rep. Maurice D. Hinchey

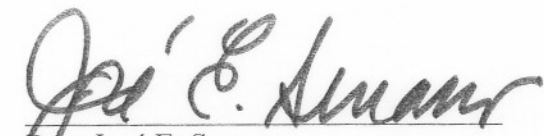

Rep. Anthony D. Weiner


Rep. Gregory W. Meeks


Rep. Joseph Crowley

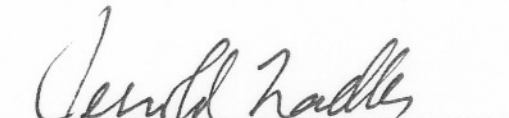

Rep. Timothy H. Bishop


Rep. Carolyn McCarthy


Rep. José E. Serrano


Rep. Nita M. Lowey


Rep. Steve Israel


Rep. Jerrold Nadler


Rep. Brian Higgins

Cc: Rep. Joe Knollenberg
Rep. John W. Olver